Investigating the impact of social media advertising features on customer purchase intention

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ABSTRACT

Social media is being increasingly used as a platform to conduct marketing and advertising activities. Organizations have spent a lot of time, money, and resources on social media ads. However, there is always a challenge in how organizations can design social media advertising to successfully attract customers and motivate them to purchase their brands. Thus, this study aims to identify and test the main factors related to social media advertising that could predict purchase intention. The conceptual model was proposed based on three factors from the extending Unified Theory of Acceptance and Use of Technology (UTAUT2) (performance expectancy, hedonic motivation, and habit) along with interactivity, informativeness, and perceived relevance. The data was collected using a questionnaire survey of 437 participants. The key results of structural equation modelling (SEM) largely supported the current model's validity and the significant impact of performance expectancy, hedonic motivation, interactivity, informativeness, and perceived relevance on purchase intentions. This study will hopefully provide a number of theoretical and practical guidelines on how marketers can effectively plan and implement their ads over social media platforms.

1. Introduction

Social media is increasingly finding a place for itself in all aspects of our lives. Customers are accordingly more behaviourally and perceptually engaged with the major social media platforms such as Facebook, Google+, Snapchat, YouTube, and Twitter (Alalwan, Rana, Dwivedi, & Algharabat, 2017; Kapoor et al., 2017; Kim and Kim, 2018; Shareef, Mukerji, Dwivedi, Rana, & Islam, 2017). This really changes the nature of our interactions either with our friends or with private and public organizations. Indeed, social media platforms represent a new place where people, organizations, and even governments can commercially, socially, politically, and educationally interact with each other and exchange information, thoughts, products, and services (Hawkins and Vel, 2013; Rathore, Ilavarasan, & Dwivedi, 2016; Usher et al., 2014; Zeng and Gerritsen, 2014; Zhu and Chen, 2015). Consequently, organizations worldwide have started thinking about how using these platforms could help in attracting customers and building a profitable marketing relationship with those customers (Alalwan, Rana, Algharabat, & Tarhini, 2016; Braojos-Gomez, Benitez-Amado, & Llorens-Montes, 2015; Kamboj, Sarmah, Gupta, & Dwivedi, 2018; Lin and Kim, 2016; Oh, Bellur, & Sundar, 2015).

As mentioned by Alalwan et al. (2017), there are different marketing practices that firms could apply over social media platforms (i.e. advertising, e-WOM, customer relationship management, and

branding). However, the significant interest in social media marketing has been in terms of advertising from both researchers' and practitioners' perspectives (i.e. Alalwan, Dwivedi, Rana, & Williams, 2016; Alalwan et al., 2017; Braojos-Gomez et al., 2015; Duffett, 2015; Jung, Shim, Jin, & Khang, 2016; Kamboj et al., 2018; Shareef et al., 2017; Shareef, Mukerji, Alryalat, Wright, & Dwivedi, 2018; Zhu and Chang, 2016). Such interest is also demonstrated by the large amount of money spent by organizations on advertising campaigns; for instance, in 2016 about 524.58 billion USD was invested for this purpose as reported by Statista (2017a). The same level of interest was also paid to social media ads, according to Statista (2017b), with about 32.3 billion USD spent in 2016 on both desktop and mobile social media ads. This, in turn, raises a question about the feasibility of such campaigns from the firm's perspective. More importantly, marketers are always faced with the challenge of how they can plan and design these social media ads in a more effective and attractive manner. Likewise, Jordan is considered as one of the fast-growing countries in terms of the number of social media users along with the special interest paid by Jordanian business in investing in social media marketing activities. For instance, according to a study conducted by Pew Research Centre in 2016, the number of social media users in Jordan had reached about 7.2 million (Alghad, 2016). Thus, there is a big challenge for Jordanian organizations regarding the effective use and design of social media advertising campaigns (Alalwan et al., 2017).

Due to their nature as interactive and modern technology (Web 2.0), social media ads represent the cutting edge of firm–customer communication (Logan, Bright, & Gangadharbatla, 2012). In comparison with traditional mass media advertising or online ads (that are used for Web 1.0 applications), firms are able to have more informative and interactive (two-way) communication with their customers (Barreda, Bilgihan, Nusair, & Okumus, 2016; Lee and Hong, 2016; Mangold and Faulds, 2009; Palla, Tsiotsou, & Zotos, 2013; Swani, Milne, Brown, Assaf, & Donthu, 2017; Wu, 2016). Hence, social media ads could help firms to accomplish many marketing aims, such as creating customers' awareness, building customers' knowledge, shaping customers' perception, and motivating customers to actually purchase products (Alalwan et al., 2017; Duffett, 2015; Kapoor et al., 2017; Shareef et al., 2017).

Social media ads are a form of internet ad, yet as they are Web 2.0, customers could have different perceptions and experiences in interacting with social media ads. This is also due to the nature of social media ads as they empower customers to have more engagement (i.e. liking, re-sharing, commenting, posting, and learning) with the targeted ads (Laroche, Habibi, & Richard, 2013; Tuten and Solomon, 2017). Accordingly, as suggested by Logan et al. (2012), there has been a need to conduct more examination into such phenomena in recent years. In fact, researchers have to focus more on discovering the main dimensions that could influence the customer's reaction and perception toward social media ads (Oh et al., 2015). In line with Tuten and Solomon (2017), one of the main aims of using social media for promotion and communication is to shape the consumer's decision-making process. Therefore, this study attempts to identify and examine the main factors that could predict the customer's purchase intention for the products that are promoted using social media advertising. Further, this study attempts to answer the following questions:

1. What is a suitable conceptual model that could be adopted to provide a clear picture covering the main aspects related to social media advertising?
2. What are the main factors associated with social media advertising that could predict the customer's purchase intention?

2. Theoretical foundation

As discussed above, there is always a concern regarding the importance of social media ads in predicting customers' perceptions and reactions. Thus, considerable interest has recently been paid by marketing researchers to testing and discussing the related issues of social media marketing (i.e. Boateng and Okoe, 2015; Hossain, Dwivedi, Chan, Standing, & Olanrewaju, 2018; Lee and Hong, 2016; Shareef et al., 2017; Shiau, Dwivedi, & Yang, 2017; Zhu and Chang, 2016). Noticeably, as seen in Table 1, a large number of these studies have enthused about the applicability and efficiency of using social media for advertising activities (i.e. Alalwan et al., 2017; Duffett, 2015; Dwivedi, Kapoor, & Chen, 2015; Dwivedi, Rana, Tajvidi et al., 2017; Jung, 2017; Jung et al., 2016; Lee and Hong, 2016; Lin and Kim, 2016; Logan et al., 2012; Shareef, Mukerji et al., 2018; Taylor, Lewin, & Strutton, 2011).

A comparative study conducted by Logan et al. (2012) indicated that both entertainment and informativeness have a significant impact on the value of social media ads and TV ads. Another significant relationship was also noticed by Logan et al. (2012) between advertising value and customers' attitudes. However, Logan et al. (2012) disproved the impact of irritation on the advertising value. Likewise, Lee and Hong (2016) were able to validate the impact of both informativeness and advertising creativity on customers' empathy expression. In the same study, a strong association was noticed between intention to express empathy and customers' intention to purchase. By the same token, Saxena and Khanna (2013) demonstrated significant positive influences of entertainment and information on the added value of social media ads.

Habit was examined and considered by different studies (i.e. Wu, Li, & Chang, 2016) as one of the most important aspects shaping the user's perception, intention, and behaviour toward social media marketing activities. In this instance, user creative performance is largely enhanced by the user's habitual behaviour toward using social media as reported by Wu et al. (2016). Habit was also addressed in terms of previous usage experience by Wang, Lee, and Hua (2015), who verified the impact of habit on three main dimensions (perceived ease of use, perceived enjoyment, and perceived usefulness) related to using social media. Another study conducted by LaRose, Connolly, Lee, Li, and Hales (2014) took a different perspective in discussing the role of habit in the area of social media. LaRose et al. (2014) noticed that habit could concurrently hinder the negative impact of social media use and accelerate the positive outcomes of using these platforms. Users of mobile social apps are more likely to continue using such systems if they have a habitual behaviour toward such applications, as proved by Hsiao, Chang, and Tang (2016).

In her recent study, Jung (2017) examined how perceived relevance could predict either customers' attention to or avoidance of targeted ads. Jung (2017) empirically argued that if customers perceive an extent of relevance in the targeted ad, they are more likely to pay considerable interest to such an ad. However, customers are more likely to ignore social media ads if they perceive a degree of privacy concern, Jung reported (2017). Lin and Kim (2016) provided convincing evidence supporting a strong negative influence of both intrusiveness and privacy concern on perceived usefulness, perceived ease of use, and attitudes toward social media ads. On the other hand, Lin and Kim (2016) validated the impact of usefulness on both attitudes and customers' penchant for buying. Boateng and Okoe (2015) statistically assured the impact of attitudes toward social media ads and customers' responses. In addition, they found that this association between attitudes and responses is significantly moderated by the role of organization reputation. A number of studies (i.e. Bannister, Kiefer, & Nellums, 2013; Taylor et al., 2011) have not approved the moderating influence of age and gender on the association between social media ads and customers' attitudes and intention to purchase.

In the light of this review, it is obvious that there is a need to propose a conceptual model covering the most critical aspects of social media advertising (Dwivedi, Rana, Tajvidi et al., 2017; Kapoor et al., 2017; Plume, Dwivedi, & Slade, 2016; Shareef et al., 2017). Such a model should also explain how these aspects could predict the customers' perception and intention toward products and services that are presented in social media advertising (Alalwan et al., 2017; Kapoor et al., 2017; Shareef et al., 2017). Closer review of the main body of literature leads to observation of the critical role of intrinsic and extrinsic motivation on customer reactions toward social media advertising (Chang, Yu, & Lu, 2015; Shareef et al., 2017). Therefore, two factors from the extending Unified Theory of Acceptance and Use of Technology (UTAUT2) were explored: performance expectancy was selected to cover the role of extrinsic motivation while hedonic motivation was selected to cover the role of intrinsic motivation (Dwivedi, Rana, Tajvidi et al., 2017; Dwivedi, Rana, Janssen et al., 2017; Dwivedi, Rana, Jeyaraj, Clement, & Williams, 2017). As customers formulate a habitual behaviour toward social media activities, habit is another factor from the UTAUT2 presented in the current study model. However, other factors of UTAUT (i.e. price value, facilitating conditions, and effort expectancy) are not considered in the current study model. The deletion of facilitating conditions and effort expectancy could be returned to the fact that customers have rich experience with dealing with social media platforms which, in turn, makes using these platforms simple and requiring little effort from users. This is in addition to the fact that the impact of both facilitating conditions and effort expectancy could vanish as customers have more experience in dealing with new systems like social media as reported by Venkatesh, Morris, Davis, and Davis (2003). Further, using social media does not require customers to have a high level of facilities and support that could be important for